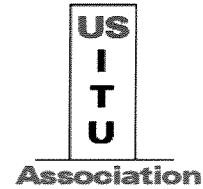


The USITUA is working to improve coordination and cooperation between the private sector and the U.S. Government to enhance U.S. effectiveness in the International Telecommunication Union (ITU).



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August 14, 2006

Mr. Richard C. Beaird
Senior Deputy Coordinator
Office of Communications and
Information Policy
Economics Bureau
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Mr. Beaird:

The USITUA appreciates the opportunity to respond to your inquiry regarding possible cost efficiency measures that might be proposed during the upcoming ITU Plenipotentiary Conference in order to meet the serious budget crisis which the Union now faces.

We wish to preface our remarks with an observation that we previously made in connection with our submission of other proposals for the Plenipotentiary Conference: the private sector is pleased with the work that the ITU undertakes with regard to its core missions of standards setting and spectrum allocation. The focus on the resolution of technical issues through global consensus has been impressive and critical to US private industry and its success in the development of telecommunications services. Similarly, private industry recognizes the valuable work that the ITU has undertaken to build capacity and understanding to help spread the revolution in telecommunications to people throughout the world.

In the review of financial concerns, it is essential that the ITU preserve its core missions and assure the continued success of those invaluable programs. The USITUA's proposals are suggestions for improving the current procedures and programs without damage to the core missions of the Sectors. While we obviously cannot discuss changes to programs not already adopted, we think it is important to analyze carefully the precise cost impact of any new demands for programs outside the technical work of the ITU.

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The USITUA also wishes to emphasize that it is important to obtain greater transparency with regard to, and control over, the Secretary General's budgeting process, particularly inter-departmental charges, the activities of the SPU, and the disposition of special funds, such as those from TELECOM. In view of the large share of the total budget represented by the General Secretariat, it is important to emphasize the need to focus on its activities before turning to potential cuts in the considerably smaller funds available to the Sectors, some of which, of course, go back to the General Secretariat in the form of inter-departmental payments.

In view of the relatively short time that we have had for consideration of these issues, most of the following suggestions, while generally endorsed, clearly require more detailed consideration before they could be implemented in a final resolution at the Plenipotentiary. However, we believe that each of them is a reasonable approach to addressing the achievement of further cost efficiencies at the Union.

General Issues

- a. Restrain the number of languages used at meetings, such that English is the working language for all meetings except for the Plenipotentiary, World Conferences and Council (including document production). The flexibility suggested here is in further recognition of the acknowledgment of budget considerations in Resolution 103.
- b. Revise the travel guidelines so that all ITU staff, except elected officials, fly/travel economy class.
- c. Evaluate all non-core ITU competencies for the potential to outsource the work at a lower cost. Emphasize the availability of outsourcing as an alternative if there is an inadequate response to General Secretariat Item (a) immediately below.

General Secretariat

- a. Review and tighten up the methodology for assessing inter-departmental charges. Require transparency and accountability by the General Secretariat for charges made to the Sectors, and to the extent, feasible, validate the charges in part using data from the time accounting system.
- b. Review the activities of the Strategic Planning Unit with a view to dividing its functions. Provide for a small permanent staff for policy advice, but assign out studies to respected experts in a transparent contracting process. Since the Secretary General does not have the equivalent of an Advisory Group, require proposals for such studies to be approved by Council or NCOG.

R Sector

- a. Overlap the Radio Assembly and the WRC, so that the total duration of the events would be four weeks rather than five.
- b. Extend the periods between WRCs to four years.
- c. End the SCRPM.

T Sector

- a. Extend the periods between WTSAs to a maximum of five years.

D Sector

- a. Partially reduce funding to two programs: E-Strategies and ICT Applications and Economics and Finance (including Costs and Tariffs).

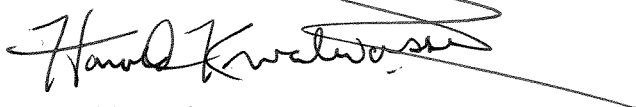
The membership also considered the comments made during the last ITAC about whether there was some ability to consolidate Study Groups or otherwise streamline the work of the technical bodies. The general consensus of the USITUA's members is that there have been various efforts recently to reduce the costs of operation of such bodies, and that, at this point, there is no overall strategy to facilitate further reductions without adversely impacting the quality and speed of their deliberations.

Strategic/Financial/Operating Plan

The USITUA membership applauds the recent work done to improve the ITU's budgetary process, particularly the attempts to create thoughtful – and linked – Strategic, Financial and Operating Plans. However, the membership believes that further refinements are in order. In particular, achieving greater transparency with regard to the General Secretariat's budget is an important building block to make funding decisions more meaningful. With such information in hand, it would facilitate a harmonized prioritization of activities reflected consistently in all three documents and improve the budget discussion, particularly when, as now, the Union is required to consider spending reductions in order to meet its expected budget shortfall. Such improvements in the process, however, should not be implemented in such a way that it would penalize Sectors that achieve savings by requiring the re-allocation of such monies to other Sectors or the General Secretariat except in the most extraordinary of circumstances.

We thank you again for the invitation to participate further in the preparation process. We look forward to further dialogue with you on these important questions.

Respectfully submitted,



Harold Kwalwasser
Chair